Central Intelligence Agency



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1. J MAR 1985

MEMORANDUM FOR: Lt. Gen. James A. Williams, USA

Director, Defense Intelligence Agency

SUBJECT:

Status Report on the Comparison of DIA and CIA

Estimates of Soviet Military Production Being

Prepared for the JEC

Thanks for your letter of 12 March concerning the Soviet military production comparisons. The responsible DIA and CIA offices have exchanged production estimates and the dollar cost procurement series associated with them. The production comparisons are virtually complete. Much progress also has been made in comparing the two series on value of procurement. We must examine these latter data with some care because DIA's prices differ somewhat from those developed by CIA. We must determine what impact, if any, these price differences have on the markedly different assessments of growth in Soviet procurement that our two Agencies have presented.

Several differences have been identified in the production estimates. We are, jointly with DIA analysts, trying to eliminate differences where possible. Clearly the report to the JEC will show differing assessments. I believe, however, it is in the community's interest to be sure they are real and that both agencies understand the basis for them. We believe we can complete this work (including consultations with your analysts) by 29 March.

> kobert M. Gatées Deputy Director for Intelligence

SUBJECT: Status Report on the Comparison of DIA and CIA Estimates of Soviet Military Production Being Prepared for the JEC

SOVA:	(21 March 1985)
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DEFENSE INTELLIGENCE AGENCY

WASHINGTON, D.C. 20301 -6111

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12 MAR 1985

MEMORANDUM FOR THE DEPUTY DIRECTOR FOR INTELLIGENCE, CIA

SUBJECT: Request for Review of Weapons Production Data

- 1. During the Defense Intelligence Agency's (DIA) testimony to Congress' Joint Economic Committee (JEC) last month, Senator Proxmire asked us to provide a breakdown of the procurement quantity differences in DIA's and CIA's estimates of major Soviet weapon systems.
- 2. In order to accomplish this comparison as expeditiously as possible, we have utilized the most recently available CIA data, provided to us by the Office of Soviet Analysis (SOVA) in December, 1984. However, to assure that the most current and accurate data are given to Congress, we are asking that you review, and update or correct where necessary, all the CIA data contained in this comparison (enclosure 1). In order to provide a framework for this comparison, we have identified each of the major weapon systems as either "old" or "new." While this categorization is somewhat arbitrary—and your views on this are most welcome—we believe that the results will give a more accurate picture of the recent trends in weapons procurement quantities. The pattern suggests that the newer, and more capable, weapons are not necessarily replacing older weapons on a one-for-one basis, a point which would not necessarily be reflected by a simple quantitative system-by-system listing. Rather than provide highly detailed comparisons, we will be presenting the DIA and CIA data in the format shown in Enclosure 2.
- 3. Inasmuch as our completion of the editing of the JEC transcript and its return to the Committee awaits your review of the enclosed materials, we would appreciate your response to this request by 21 March 1985. We have already provided a working copy of these materials to SOVA some three weeks ago, to assure your analysts as much time as possible both to review the CIA numbers and to examine the detailed DIA preliminary production estimates.
- 4. Much more detailed information on the two agencies' military production estimates will, at least tentatively, be available around the end of the calendar year (based on the recent National Foreign Intelligence Board discussion of CIA's recommendation of a joint paper). However, we prefer to be responsive to Senator Proxmire's request by providing him and the Committee the aggregated data in the format reflected in Enclosure 2. Should the Senator have any further questions concerning production, he can be referred to the forthcoming joint paper.

2 Enclosures

1. Detailed Procurement Report, (S) 1 Cy

2. Summary of Procurement Report, (S) 1 Cy

JAMIS A. VELLIAMS

Lieutonant Carand, U.S. Army

James Chrisians

Director

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